

UA/CO Merger FAQs

May 3, 2010, IAM international — The announced United-Continental merger prompts many questions. Below are the answers to some initial questions IAM members may have. The Machinists Union is conferring with management of both United and Continental to ascertain all the details, but at this point there are certainly more questions than answers. As factual answers become known, they will be added to this document. United members with specific questions should submit them through the District 141 website, IAM141.org, or contact an IAM representative.



Q: What does today's announcement mean for employees?

A: The announcement will have no direct, immediate effect on employees of either carrier. There is no way to tell at this time if a merger will even be concluded.

Q: What has to happen for the merger to be concluded?

A: The merger must receive approval from the shareholders of each company, as well as approval from the Department of Justice.

Q: How will this affect our contract negotiations?

A: While the prospect of a merger will be on the minds of your negotiators when they return to the bargaining table, there is no way to tell if a merger will actually be approved. Your IAM negotiators' goal remains to continue negotiating contracts for our United members as soon as possible. However, the attorneys, economists and other professionals on the IAM's Transportation Merger Team who have been evaluating a United-Continental merger since 2006 will assist your negotiators on issues relating to or potentially impacted by a merger.

Q: Do we have merger protection in our contract?

A: Yes. Each IAM-UAL contract contains language that preserves our collective bargaining agreements and requires fair and equitable integration of seniority.

Q: If this merger occurs, will we still be represented by the IAM?

Railway Labor Act regulations and National Mediation Board (NMB) procedures will determine the certified collective bargaining representative for each classification in a combined United/Continental workforce. The NMB may order an election for some classifications to determine the certified representative. Nothing would be resolved until the NMB concludes that both companies are operating as a single entity for representation purposes, and there is no timetable for that to happen.

Q: What happens to our contracts?

A: Contracts will remain in full force and effect until after representation issues are resolved.

Q: What will happen to our pensions?

A: Guaranteeing our members' retirement security is a major concern for the Machinists Union, and the IAM will fight to protect the pensions of our members at both carriers in any merger scenario.

United's contributions into the IAM National Pension Plan and the benefits our members are earning will continue as long as the IAM continue as your collective bargaining representative and our collective bargaining agreements remain intact.

Continental's company-sponsored pension plans are \$1.4 billion underfunded. In contrast, the IAM National Pension Plan is currently funded at 96%.

The IAM fought hard in bankruptcy to provide our members with a pension plan after the bankruptcy court allowed United to walk away from its obligations. We won't allow your pensions to become a casualty of a merger.

Q: How will the IAM integrate seniority?

A: The IAM's long standing official policy is to integrate seniority by the date of hire into the classification, regardless of which airline or union an employee comes from.

Note: Regular additions will be made to this document. Check www.iam141.org for the latest.

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